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MEETING
STATE OF CALIFORNIA
STATE LANDS COMMISSION

1023 N STREET
ROOM 102
SACRAMENTO, CALIFORNIA

MONDAY, JANUARY 23, 1984

10:10 A.M.

ORIGINAL

Eileen Jennings, C.S.R.
License No. 5122

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in

COMMISSIONERS PRESENT

Leo T. McCarthy, Chairperson

Lizabeth Rasmussen, representing Kenneth Cory,
State Controller

Nancy Ordway, representing Jesse Huff,
Interim Director of Finance

STAFF PRESENT

Claire Dedrick, Executive Officer

Robert C. Hight, Chief Counsel

Lance Kiley, Division Chief, Land Management
and Conservation

Judy Markell, Executive Secretary

ALSO PRESENT

Jan Stephens, Deputy Attorney General

I N D E X

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Proceedings

Call to Order

Approval of Minutes

Executive Officer's Report

Consent Calendar

(C9, C11, C12 and C13 off calendar)

C1 - C8, C10

Regular Calendar

Item No. 14: Pebble Beach Company, a General Partnership, whose General Partners are Twentieth Century-Fox Film Corp., Urban Diversified Properties, Inc., and Urban Investment and Development Co. (Assignor); and Pebble Beach Co., a General Partnership, whose General Partners are Twentieth Century-Fox Film Corp. and MKDG II (Assignee)

Item No. 15: California Department of Forestry (Applicant)

Item No. 16: Oxnard Harbor District (Applicant)

Item No. 17: U.S. Air Force Headquarters Space Division (Applicant)

Item No. 18: Bear Creek Mining Company (Applicant)

Item No. 19: Homestake Mining Company (Applicant)

Item No. 20: Shell California Production Inc. (Lessee)

Regular Calendar (continued)

Item No. 21:	City of Long Beach	10
(Grantee)		
Item No. 22:	City of Long Beach	10
(Applicant)		
Item No. 23:	State Lands Commission	11
(subject);	Informative	
Item No. 24:	County of Orange	12
(Applicant)		
Item No. 25:	Jack and Katharine	13
Arbuckle	(Applicants)	
Item No. 26:	State Lands Commission	13
(Subject)		
Adjournment		14
Certificate of Shorthand Reporter		15

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P R O C E E D I N G S

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CHAIRMAN MCCARTHY: This meeting of the State Lands Commission will commence.

Do we have approval of the minutes of the last Commission meeting? Is there any question about them? If there is not, they are approved.

May we hear the Executive Officer's Report.

EXECUTIVE OFFICER DEDRICK: Yes, Mr. Chairman. I'm reporting to you on the progress on Chevron's Island Esther, which was destroyed in the storms of last year. The Commission has asked in the past for Chevron to report quarterly on their progress.

They have advised us and informed the press that they have decided to proceed with the construction of a conventional two-deck platform at that site at an estimated cost of \$46 million. The production and development plan will be submitted in early February to the staff of the Commission.

So, I don't believe we need an order to report back further, since we'll be working on it actively then.

The lease was issued in 1964 for a primary term of 20 years and so long thereafter as oil and gas could be produced. As you recall, last April the Commission acknowledged the existence of a force majeure

1 and the fact that the ocean had washed away the island.
2 That allows us to continue with the lease and get it back
3 into production.

4 That's all I have to report.

5 I should tell you that in terms of the calendar,
6 sir, Item C9 is off, 11, 12, and 13.

7 CHAIRMAN MCCARTHY: All right. Did everyone
8 in the audience hear that?

9 Consent Item 9 is off and then Items 11, 12, and
10 13 are also off.

11 Have you concluded your report?

12 EXECUTIVE OFFICER DEDRICK: Yes, I have, sir.

13 CHAIRMAN MCCARTHY: Thank you.

14 Now, we're addressing Consent Items 1 through 8
15 and Item 10 on the Consent Calendar.

16 Does anyone have any comment about any of those?

17 If not, the Commission will unanimously approve
18 them as consent items.

19 As you heard, Items 11, 12, and 13 have been
20 removed. We're now on Item 14.

21 EXECUTIVE OFFICER DEDRICK: Yes, this is an
22 approval of an assignment of a lease for a maintenance
23 of a wastewater outfall pipeline at Pebble Beach in
24 Monterey County.

25 The general partnership, which was Twentieth

1 Century-Fox, Urban Diversified Properties, and Urban
2 Investment and Development are adding a general partner,
3 which is -- gosh -- are assigning it to the Pebble Beach
4 Company and general partnership, whose partners are
5 Twentieth Century-Fox Film Corporation, and MKDG II as
6 a general partnership.

7 CHAIRMAN McCARTHY: Is there any question from
8 the Commissioners?

9 COMMISSIONER ORDWAY: No.

10 COMMISSIONER RASMUSSEN: No.

11 CHAIRMAN McCARTHY: Anyone in the audience who
12 wishes to raise any point about this?

13 If not, the recommendation is approved.

14 No. 15.

15 EXECUTIVE OFFICER DEDRICK: Item 15 is to
16 authorize the Department of Forestry to conduct a controlled
17 burn -- they call it prescribed burns now -- in a section
18 of school land in Lake County.

19 CHAIRMAN McCARTHY: Any questions from the
20 Commissioners?

21 COMMISSIONER RASMUSSEN: No.

22 CHAIRMAN McCARTHY: From the audience?

23 All right, it's approved as requested.

24 No. 16.

25 EXECUTIVE OFFICER DEDRICK: No. 16 is approval

1 of a one-year dredging permit for the Oxnard Harbor
2 District to dredge approximately 100,000 cubic yards of
3 material from the State-owned portion of the tidelands
4 which serve as a channel into the harbor.

5 CHAIRMAN MCCARTHY: Any questions from
6 Commissioners?

7 COMMISSIONER RASMUSSEN: No questions.

8 CHAIRMAN MCCARTHY: From the audience?

9 All right, that's approved as requested.

10 No. 17.

11 EXECUTIVE OFFICER DEDRICK: No. 17 is an extension
12 of an existing dredging permit for the Air Force at
13 Point Arguello. Weather conditions and labor conditions
14 made it impossible to meet their deadline.

15 CHAIRMAN MCCARTHY: Is there any questions from
16 Commissioners?

17 COMMISSIONER ORDWAY: No.

18 COMMISSIONER RASMUSSEN: No.

19 CHAIRMAN MCCARTHY: From the audience?

20 No. 17 is approved as requested.

21 No. 18.

22 EXECUTIVE OFFICER DEDRICK: No. 18 is approval of:
23 the Geothermal Prospecting Permit for Bear Creek Mining
24 Company on about 2,700 acres of proprietary land owned by
25 the Department of Fish and Game and called the Winter

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Due to an error in page numbering, there is no page number 5.

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1 Wildlife Management Unit.

2 The State Lands Commission manages the mineral
3 resource under all State-owned land. This is proprietary
4 land and the Department of Fish and Game, by statute,
5 must agree to our leasing. That agreement has been reached
6 in a very detailed document.

7 I don't know if we have any testimony, anyone
8 here to speak in regard to that.

9 CHAIRMAN MCCARTHY: Well, there are two that
10 have indicated they are here to answer questions and
11 discuss the issue if it's desired. There's one person
12 who signifies that he would like to testify.

13 Mr. Dick Daniel?

14 EXECUTIVE OFFICER DEDRICK: Excuse me. Dick
15 Daniel represents the Department of Fish and Game.

16 Dick, did you want to present --

17 MR. DANIEL: Unless there are any questions, I
18 see no need.

19 EXECUTIVE OFFICER DEDRICK: We have in the record,
20 Mr. Chairman, a letter of support from the Department of
21 Fish and Game from the Director, Don Carper.

22 We have letters of support from the San Bernardino
23 County Audubon Society, and from the California
24 Waterfowl Society.

25 There is some local opposition. But I think, on

7
1 balance, that the Department of Fish and Game and our
2 staff and Bear Creek have done an excellent job of putting
3 together an agreement which will control any negative
4 effects and will mitigate for the project in a way that
5 is positive for the wildlife of the area.

6 CHAIRMAN MCCARTHY: You have a letter of
7 opposition?

8 EXECUTIVE OFFICER DEDRICK: That is correct, from
9 the Southern California Chapter of the Wildlife Society.

10 CHAIRMAN MCCARTHY: Have we made that a part of
11 the record?

12 EXECUTIVE OFFICER DEDRICK: Yes. There are
13 approximately ten or eleven other letters from individuals
14 -- none from Imperial County -- which are also part of the
15 record. We have received today a letter from Teri, --
16 wrong one. That's a different project.

17 Imperial County has approved the project. It
18 has mitigated negative declaration under their program
19 EIR, which was completed about two years ago.

20 CHAIRMAN MCCARTHY: Are there any questions from
21 members of the Commission?

22 COMMISSIONER RASMUSSEN: No questions.

23 CHAIRMAN MCCARTHY: I would state that I think we
24 should go forward at this time. I think the conditions
25 that would be imposed do seem to have effectively mitigated

1 any environmental problems that might ensue.

2 I also note the letters of response that we have
3 from some environmental groups that are supportive in nature
4 and suggest they agree with the conditions that are being
5 proposed.

6 Anyone in the audience care to say anything
7 further about this?

8 Is there any dissent on the Commission?

9 COMMISSIONER RASMUSSEN: No.

10 CHAIRMAN MCCARTHY: This item is approved.

11 No. 19.

12 EXECUTIVE OFFICER DEDRICK: No. 19 is approval
13 of three Prospecting Permits for Homestake Mining Company
14 on three portions of State land for hard rock minerals,
15 gas, and geothermal; for valuable minerals, that is.》

16 The three parcels are located very close to
17 the Nevada border and not within the Mono Basin.

18 It is, again, a mitigated negative declaration
19 with a good many controls on it. We have received this
20 morning two pieces of information, one from Teri Jamin,
21 Planning Director of the County of Mono, who says that
22 Homestake shall obtain approval of the surface reclamation
23 plan in accordance with their county ordinance, and, in
24 addition to that, State law, prior to commencement of
25 work. The other is from the Bureau of Land Management

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1 protesting that an EIR should be prepared for this permit.

2 The comments of the Bureau of Land Management
3 and the Department of Fish and Game were addressed in the
4 mitigated neg. dec. The Bureau of Land Management conducts
5 similar projects on adjacent lands or lands in the area
6 with controls that we think are significantly less
7 protective than the ones that are on this lease.

8 Other than that, I know of no objections to the
9 Prospecting Permit.

10 I have copies of those letters if you would like
11 to see them. They will be part of the record.

12 CHAIRMAN MCCARTHY: Any questions from
13 Commissioners?

14 Anyone in the audience?

15 That is approved as requested.

16 No. 20.

17 EXECUTIVE OFFICER DEDRICK: This is a revision
18 of a pooling agreement between the State Lands Commission,
19 other Shell lessees, and originally the County of Sacramento,
20 which owns .09 acres, roughly .01 percent of the revenues
21 from the gas field, which is in Sacramento and Yolo
22 counties.

23 The County has asked to be removed from the
24 pooling agreement and we agree. If they don't want their
25 .01 percent, why, we'll get it.

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1 CHAIRMAN McCARTHY: Any questions from the
2 Commission members?

3 From the audience?

4 Approved as requested.

5 No. 21.

6 EXECUTIVE OFFICER DEDRICK: No. 21 is a notice
7 of intent by the City of Long Beach to spend \$268,275 of
8 its tideland oil revenues for landscape modifications at
9 Belmont Plaza Pool.

10 The authority of the State Lands Commission is
11 limited to affirming or objecting as to whether or not such
12 expenditures meet the requirement of Chapter 138. In this
13 instance, they do.

14 CHAIRMAN McCARTHY: Any questions from
15 Commissioners?

16 COMMISSIONER RASMUSSEN: No questions.

17 CHAIRMAN McCARTHY: Any questions from the
18 audience?

19 Approved as requested.

20 EXECUTIVE OFFICER DEDRICK: Mr. Hight will discuss
21 the next item.

22 MR. HIGHT: Mr. Chairman, this is a request by
23 the City of Long Beach to expend approximately \$9 million
24 for the purchase of some beach lots. The money would come
25 from oil revenues. The staff recommends that it's

1 consistent with the provisions of Chapter 138.

2 CHAIRMAN McCARTHY: You're addressing 22?

3 EXECUTIVE OFFICER DEDRICK: That's correct.

4 MR. HIGHT: Yes.

5 CHAIRMAN McCARTHY: Any questions from
6 Commissioners?

7 COMMISSIONER RASMUSSEN: No questions.

8 CHAIRMAN McCARTHY: Any questions from the
9 audience?

10 Item 22 is approved as requested.

11 Item 23.

12 EXECUTIVE OFFICER DEDRICK: No. 23 is an
13 information item. It's a review of the 1983/84 and '84/85
14 Plans of Development and Operations and Budget for the
15 Long Beach Unit. It is there for your information
16 primarily so that we can all catch up on what's happened
17 in this current fiscal year. The budget for the following
18 fiscal year will be before you in April.

19 If you have any questions, Moose Thompson is
20 here and would be glad to answer them.

21 I think you got it very late. We did not have
22 an opportunity to get it out earlier. And I think that
23 probably we'd like a chance to review it.

24 There's no time deadline. It's only an
25 information item.

CHAIRMAN McCARTHY: All right, any questions?

COMMISSIONER RASMUSSEN: No questions.

CHAIRMAN McCARTHY: From the audience?

Information is received.

No. 24.

EXECUTIVE OFFICER DEDRICK: Mr. Hight will review 24 for you.

CHAIRMAN McCARTHY: Mr. Hight.

MR. HIGHT: Item 24 is the authorization to settle a lawsuit in Orange county. As part of the settlement the State will receive a boundary line agreement, as well as there will be an area for public access, which the county will lease and maintain. We believe it's in the best interests of the state.

CHAIRMAN McCARTHY: Any questions from any members of the Commission?

COMMISSIONER RASMUSSEN: No questions.

CHAIRMAN McCARTHY: Any questions from the audience?

MR. STEVENS: Collins has a clarification.

EXECUTIVE OFFICER DEDRICK: To clarify one part of the calendar item.

MR. COLLINS: It says there remains a dispute over the location of a public restroom on the beach between the county and private owners. That was settled on Friday,

1 so the whole thing's ready to go now.

2 CHAIRMAN MCCARTHY: Any questions?

3 Approved.

4 25.

5 MR. HIGHT: 25, Mr. Chairman, is the authorization
6 to file a lawsuit in Sacramento County.

7 It's hopeful that this authorization will not be
8 necessary. The current occupant of the facilities
9 refuses to pay rent. We hope that we can settle this
10 without litigation, but we'd like the authorization.

11 CHAIRMAN MCCARTHY: Any questions from the
12 Commissioners?

13 From the audience?

14 Approved as requested.

15 26.

16 MR. HIGHT: 26, Mr. Chairman, is an authorization
17 for litigation to settle the boundary between the State
18 and the City of Sacramento and private parties along the
19 waterfront in Old Sacramento.

20 CHAIRMAN MCCARTHY: Is this the one earlier where
21 one of the Sacramento Assembly members --

22 EXECUTIVE OFFICER DEDRICK: I don't believe
23 that is this instance.

24 Mr. Chairman, the purpose of this litigation
25 is to --

1 CHAIRMAN MCCARTHY: I think it was Assemblyman
2 ~~Leenberg~~. This is not the issue?

3 EXECUTIVE OFFICER DEDRICK: No, no. In this
4 instance, this is an agreement between the city and the
5 State that -- we know we have to have a quiet title action
6 so this can go forward with planning and leasing of that
7 waterfront --

8 CHAIRMAN MCCARTHY: That's fine.

9 EXECUTIVE OFFICER DEDRICK: It's a friendly
10 lawsuit.

11 CHAIRMAN MCCARTHY: Any questions from the
12 audience?

13 It's approved as requested.

14 That's it.

15 (Thereupon this meeting of the
16 State Lands Commission was adjourned
17 at approximately 10:33 a.m.)

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CERTIFICATE OF SHORTHAND REPORTER

I, EILEEN JENNINGS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing State Lands Commission meeting was reported in shorthand by me, EILEEN JENNINGS, a Certified Shorthand Reporter of the State of California, and thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said hearing nor in any way interested in the outcome of said hearing.

IN WITNESS WHEREOF, I have hereunto set my hand this 13th day of February, 1984.

Eileen Jennings
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Certified Shorthand Reporter
License No. 5122

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